Sprint

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June 14, 2001

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *EX PARTE* PRESENTATION
    CC Docket Nos. 98-147 and 96-98

Dear Ms. Salas:

On June 13, 2001, Jim Burt, Rich Morris, Jim Sichter, and the undersigned, on behalf of Sprint Corporation, met with Aaron Goldberger, Elizabeth Yockers, Jessica Rosenworcel, Kathy Farroba, Kim Cook, Anne Coventry, William Kehoe, Greg Cooke, Dennis Johnson, Rodney McDonald, and Jeffrey Carlisle of the Common Carrier Bureau, to discuss the need for packetized loops and access to ILEC packet switching capabilities as unbundled network elements. The attached presentation was distributed at the meeting and served as the basis for Sprint's presentation.

Two copies of this letter are being filed in each docket..

Sincerely,

Richard Juhnke

Attachment
cc (w/o attachment):   Aaron Goldberger
                       Elizabeth Yockers
                       Jessica Rosenworcel
                       Kathy Farroba
                       Kim Cook
                       Anne Coventry
                       William Kehoe
                       Greg Cooke
                       Dennis Johnson
                       Rodney McDonald
                       Jeffrey Carlisle

Sprint Ex Parte

June 13, 2001

ILEC Packet Switching

Sprint Representatives:

Dick Juhnke, General Attorney

Jim Sichter, VP Regulatory Policy

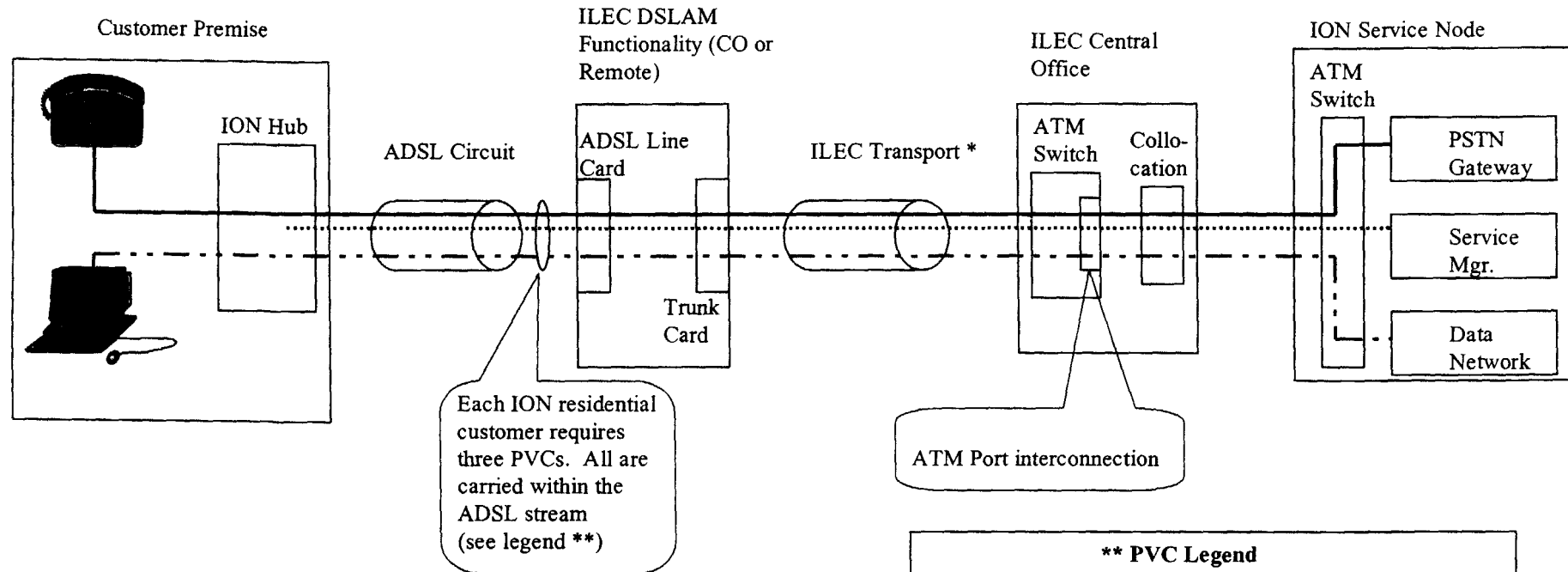Rich Morris, VP Local Markets

Jim Burt, Director - Regulatory Policy

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Purpose

- Review Sprint's position on ILEC Packet Switching
- Sprint technical requirements
- Current Sprint deployment activities
- Market Impact - High Level
- Market Impact - Detailed
  - End Office
  - Remote Terminal
- Summary

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Sprint Position

- A ubiquitous service offering requires access to ILEC packet switching at the central office and the remote terminal without restrictions
    - Key requirements:
        - Availability of full functionality of equipment
        - CLEC "data" handoff at most economical point
        - Certainty of availability
        - Economic viability
    - Sprint has requested the ability to virtually collocate compatible line cards in the ILEC's remote terminal and CO-based DSLAMs to ensure Sprint's technical requirements are met.

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General Sprint Requirements

Customer Premise

ILEC DSLAM Functionality (CO or Remote)

ILEC Central Office

ION Service Node

ION Hub

ADSL Circuit

ADSL Line Card

ILEC Transport *

ATM Switch   Collo-cation

ATM Switch

PSTN Gateway

Service Mgr.

Data Network

Trunk Card

Each ION residential customer requires three PVCs. All are carried within the ADSL stream (see legend **)

ATM Port interconnection

* ILEC Transport Alternatives

Dedicated PVP for all QOS Levels (VBR RT & UBR)

Dedicated PVP for each QOS Level (VBR RT & UBR)

Common PVP for all QOS Levels (each PVC has unique QOS levels

** PVC Legend

VBR RT for Voice Bearer Channel   ——————

VBR RT for Voice Signaling & Call Set-UP   ················

UBR or VBR NRT for Data   — - — ·

VBR RT = Variable Bit Rate Real Time
VBR NRT = Variable Bit Rate Non-Real Time
UVR = Unspecified Bit Rate

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Sprint Deployment Activity

- Sprint ION^{SM} is being rolled out in over 80 markets
  - Two flavors:
    - Sprint ION^{SM} xt4, xt2 and xt1 are integrated services supporting voice, data and video for both residential and business customers
    - Sprint ION^{SM} Direct provides high-speed data only (limited to five markets pending market trial results)

- Central Office Collocation
  - 2092 RBOC central offices are targeted for collocation of DSLAMs

Sprint Deployment Activity - Continued

- ## Remote Terminal Activity
  - Sprint has acquired an easement and placed a DSLAM next to one remote terminal
    - Market trial to begin 3Q01

- ## Ten additional trial locations planned to begin in 2001
  - This undertaking incorporates significant risks given the cost and time to deploy at an estimated 12 months and $100k per site
  - Remote terminal collocation will only be viable where market demand is very high
  - RBOC information necessary to complete Sprint's economic analysis is difficult or impossible to get

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High Level Market Impact

- ## Large Business
  - Inability to provide ubiquitous coverage of telecommuter and branch offices impacts the overall large business opportunity

- ## Small Business & Residential
  - Numerous customers are lost without ILEC packet switching
  - Unless ILEC packet switching is available Sprint is impaired in its ability to serve a substantial portion of the market

Access Lines per Switch Distribution

Company Name	Switch Size (Access Lines)				
	<1,000	1,000-4,999	5,000-9,999	10,000-19,999	>/=20,000
BellSouth	130	584	280	226	424
Qwest	329	447	175	153	296
SBC	866	1,167	496	463	1,038
Verizon	224	933	418	348	711
CBT	2	37	9	19	18
Citizens Tel.	177	193	22	14	4
Global Crossing	123	106	25	13	10
Sprint	396	588	161	113	102
Total	**2,247**	**4,055**	**1,586**	**1,349**	**2,603**
Distribution	**19.0%**	**34.2%**	**13.4%**	**11.4%**	**22.0%**

Source: 2000 ARMIS 43-05: Table IVa. Switching Data

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Market Impact - Detail

- Sprint is collocating in 2,092 of 4,115 central offices in the 80+ selected markets
  - Sprint can only offer service where collocation proves viable
    - Average NRC = $41k / Average MRC = $2k
    - Collocation intervals range from 200 to over 300 days
  - The remaining central offices where collocation can't be justified account for a substantial portion of the market
  - Some markets were not targeted due to poor economics that didn't justify collocation in enough offices to warrant entry
  - There are almost 3,500 central offices across the nation with more than 5,000 access lines where the economics do not justify Sprint collocation
  - Functional access to the DSLAM, transport & packet switching the RBOCs are deploying would significantly expand market coverage in the 80+ markets and other markets

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Market Impact - Detail

- Roughly 50% of the potential customers in these 80+ markets are foreclosed from getting Sprint ION^{SM} service due to the presence of DLCs

- An estimated 35% of customers are served by DLCs today growing to 50% by 2004
  - Functional access to the DSLAM, transport & packet switching the RBOCs are deploying at the DLC sites would significantly increase market coverage
  - Sprint can only identify 242 of the 7,200 known SBC Project Pronto sites that <u>may</u> prove to be economically viable for physical collocation

Summary

- Sprint cannot ubiquitously offer service without RBOC packet switching at both the remote terminal and the central office

- This issue should be dealt with at the federal level
  - Trying to address the issue in multiple state generic proceedings or arbitrations will have mixed results and require a tremendous amount of ILEC, CLEC and public resources